

**BCP PROPERTY VALUE ADD FUND
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(A sub-fund of BCP Investment Fund is an umbrella unit trust authorised in Ireland by the Central Bank of Ireland pursuant to the provisions of the Unit Trusts Act 1990 and any regulations made there under)

BCP PROPERTY VALUE ADD FUND

Annual Report and Audited Financial Statements

31 December 2022

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BCP PROPERTY VALUE ADD FUND

Manager and Other Information

Directors of the Manager:

John Calvert
John O'Hanlon
Thomas Cullen

Manager:

BCP Fund Management Designated Activity Company
71 Upper Leeson Street
Dublin 4, D04 XK68
Ireland

Investment Manager:

BCP Asset Management Designated Activity Company
71 Upper Leeson Street
Dublin 4, D04 XK68
Ireland

Administrator and Registrar:

Apex Fund Services (Ireland) Limited
2nd Floor, Block 5
Irish Life Centre, Abbey Street Lower
Dublin 1, D01 P767
Ireland

Legal Advisers as to Irish law:

Matheson
70 Sir John Rogerson's Quay
Dublin 2, D02 R296
Ireland

Depositary:

Société Générale S.A.
(Head Office)
29 Boulevard Haussmann
75009 Paris
France

Société Générale S.A.
(Registered Branch)
3rd floor
IFSC House IFSC
Dublin 1, D01 R2P9
Ireland

Auditors:

Mazars
Chartered Accountants and Statutory Audit Firm
Block 3, Harcourt Centre
Harcourt Road
Dublin 2, D02 A339
Ireland

Alternative Investment Fund Manager (AIFM):

HAL Fund Services Ireland Limited*
(formerly Crossroads Capital Management Limited)
33 Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2, D02 XK09
Ireland

Valuer:

CBRE Unlimited Company
Connaught House
1, Burlington Road
Dublin 4, D04 C5Y6
Ireland

BNP Paribas Real Estate
20 Merrion Road, Ballsbridge
Dublin 4, D04 C9E2
Ireland

**Effective from 20 October 2022, the name of the AIFM changed from Crossroads Capital Management Limited to HAL Fund Services Ireland Limited.*

The Act, Trust Deed, latest annual reports, incorporating audited financial statements and the latest half-yearly reports, incorporating unaudited financial statements, the latest net asset value of the Trust or a Fund, the latest market price of the Units, the historical performance of the Trust or a Fund as well as the historical performance of the Trust or a Fund can be obtained free of charge at the office of the Manager.

Investment Manager's Report

Fund:	BCP INVESTMENT FUND
Sub-Funds:	BCP PROPERTY VALUE ADD FUND & BCP REAL ESTATE VALUE ADD FUND
Investment Manager:	BCP ASSET MANAGEMENT DAC
Period Under Review:	To end December 2022

1. Background

Crossroads Capital Management as an AIFM authorised under the AIFMD Regulations has appointed BCP Asset Management, as a delegate to perform certain portfolio management and risk management activities on its behalf in relation to the BCP Investment Fund and its sub-Funds.

BCP Asset Management and Crossroads Capital Management have documented, and will document on an annual basis, through Board presentations and through Crossroads Capital Management's own due diligence, certain limits, including certain risk limits detailed on its Risk Register, as well as a Fund Profile.

2. Investment Managers Report

Background:

The BCP Property Value Add Fund ('PVAF'), previously known as The BCP International Property Fund, was the first sub-fund in the umbrella unit trust, the BCP Investment Fund. The Fund was approved by the Central Bank on January 22nd 2015 and was launched to the Irish market soon thereafter. The Fund provides qualifying Irish investors with access to an open-end property fund that aims to build a portfolio of diversified, direct and in-direct property assets. The Fund is being presented to individual investors and investment advisors that are looking to potentially include a property investment in their pension and investment portfolios.

Trading Activity of PVAF:

- 1) The Fund successfully purchased Block R, Eastpoint Business Park on April 14th 2015. The Fund paid €7.5m for the building, exclusive of €350,000 purchase costs.
- 2) On June 17th 2016 the Fund purchased shares in two ICAV sub-funds (Kells Investment Fund 1 and Kells Investment Fund 2) which were established between MARK (formerly known as Meyer Bergman, a specialist European Real Estate firm) and BCP to purchase two separate investment properties in Dublin city Centre. PVAF holds 13.45% of the shares Kells I, which is developing the large site at the junction of Dawson Street and Nassau Street and 15% of Kells II, which owns and manages a number of retail properties on Nassau Street, with the remaining units in each ICAV being held by MARK.
- 3) In August 2017 the Fund purchased St. Andrews House on Exchequer Street in Dublin 2 for €11,330,000, exclusive of purchase costs.
- 4) In August 2018, the Fund invested €8.1m for 50 shares of BCP Real Estate Value Add Fund ('REVAF'). REVAF purchased a portfolio of properties in Dublin 8, labelled collectively as 'Fumbally'. The total purchase price of Fumbally was €33.5m, exclusive of purchase costs. Debt of €20.2m was taken out with Bank of Ireland.

Current Holdings of PVAF as of December 31st 2021:

- 1) Block R, Eastpoint Business Park
- 2) 13.45% of Kells Investment Fund 1
- 3) 15% of Kells Investment Fund 2
- 4) St. Andrews House, Exchequer Street
- 5) 50% of units in BCP REVAF

Investment Manager's Report (continued)

Highlights:

Block R, Eastpoint Business Park, Dublin 3

The passing rent continues to be collected as contracted. Google, the tenant in this development did not exercise their notice to break in November 2021 and the existing lease expires in April 2023. The Investment Manager has been in negotiations with Google on the renewal of this lease and this is expected to occur in due course.

St. Andrews House, Dublin 2

The apartments are now fully stabilized at strong rents at circa 20% ahead of previous valuations. While a number retail units are vacant there are advanced heads of terms discussions with a restaurant operator to take 5 South William Street ahead of the valuation rent. 4 South William Street is currently on the market with strong interest.

Terms are close to agreement with a fashion brand to take both 32 and 34 Exchequer Street on separate leases at a rent that is at valuation.

We are progressing with detailed design for the refurbishment of the upper levels of St Andrew's House and intend on starting on site in H1 2023.

REVAF (Fumbally)

A number of lease cessations are pending and a leasing strategy has been prepared to maintain flexibility of the space so that development options can be readily pursued. There are advanced discussions ongoing with an established serviced office provider for a substantial portion of the available space with negotiations ongoing in respect of upgrade works to bring the office networks to the standards required to operate serviced offices. This will involve substantial capital outlay. The proposed lease will incorporate a base rent with an uptick based on occupation and rents achieved.

A planning application is currently being prepared for the Enterprise Centre development site. This application will not put forward any significant changes to the permit already granted and objections to this application are not expected.

Kells 1 Fund

60 Dawson Street, Dublin 2

Kells 1 Fund - The redevelopment of 60 Dawson Street was originally scheduled for completion in 2022 but covid related delays and more recently, the liquidation of a cladding subcontractor has meant it will not be completed until June 2023 with a potential sale in 2024. These delays in realising the proceeds of this sale have contributed greatly to the current liquidity challenge in PVAf.

The letting for the 3rd to 6th floors of the building to Service Now was completed in 2022 at levels ahead of business plan.

A lease for the second floor has been completed with Pinterest for the entire first floor on similar commercial terms to the Service. 80% of the office space is now contracted for.

Discussions regarding the ground floor and basement levels are ongoing. As the building approaches practical completion there has been significant interest in the ground floor and basement level retail and leisure spaces and a successful leasing campaign is anticipated.

Kells II Fund

Morrison Chambers, Dublin 2

All units are fully occupied with rents being received as contracted. The rent review in respect of Costs is ongoing.

Investment Manager's Report (continued)

Fund Performance:

As of 31st December 2022, the following NAV's per class of unit were calculated for the PVAF:

	NAV
Class A units	121.58
Class B units	125.40
Class C units	127.82
Class D units	140.64
Class P units	81.18

Acquisitions

No acquisitions in the period for PVAF.

Capital Commitments

The fund is committed to expenditure of approximately €1.2m for the refurbishment of the offices in St Andrews House.

Property Management Overview

There are no significant outstanding Property Management activities to report.

Distribution

Following the reopening of the fund in November 2021, the anticipated inflow of subscriptions did not materialize and at the same time there were a series of redemptions causing a liquidity issue for the fund.

Delegated Activities

No new appointments have been made by the funds in the reporting period.

Liquidity and the suspension of redemption

In February 2023, the fund had received redemption requests in excess of its available cash. A detailed analysis of anticipated cash flows was undertaken and the Directors of the Manager. The Directors decided that it was in the best interests of all investors in the fund to close to fund to redemptions. This this would ensure that assets disposals would occur in a structured fashion in line with their development plans and available cash would be utilized to meet ongoing cash flow obligations.

The matter will be considered by the Directors on a quarterly basis but it is anticipated that the suspension cold continue for in excess of 12 months.

Risk Management

Given the size of PVAF, there continues to be a concentration risk within the fund and this continues to be monitored by the Investment Manager. The investment in Kells Investment Fund I is a development project, which entails associated risks including the risk of the planning permission submission being delayed or rejected and the risk of not securing the desired rents in the finished development. BCP and MARK (formerly Meyer Bergman) have appointed a highly qualified team of architects, designers, planners and property agents to ensure the project meets targeted deadlines and ultimately achieves its targeted return.

Leverage

PVAF currently has a 27% gearing ratio. The fund is operating within its LTV covenants.

The other funds invested in by PVAF, namely Kells I and Kells II have gearing ratios of 65% and 49% respectively and are operating within their LTV covenants.

BCP PROPERTY VALUE ADD FUND

Statement of Manager's Responsibilities

The Manager is required to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the Fund and of its results for the period. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Fund will continue in operation;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements and take reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Fund and to enable it to ensure that the financial statements comply with the Unit Trusts Act, 1990. It has general responsibility for taking such steps as are reasonably open to it to prevent and detect fraud and other irregularities. The measures taken by the Directors of the Manager to ensure compliance with the Fund's obligation to keep proper book of account are the use of appropriate systems and procedures and the employment of competent persons. In this regard, the Directors of the Manager have appointed Apex Fund Services (Ireland) Limited for the purpose of maintaining proper books of account. Accordingly, the books of account are kept at the office of the Administrator as shown on page 2.

Corporate Governance Code for collective investment schemes and management companies

The Manager has adopted the voluntary Corporate Governance Code for collective investment schemes and management companies (the "Code") issued by the Irish Funds. The Corporate Governance Code can be found at the following web address: <http://www.irishfunds.ie/publications/>.

Connected Parties Compliance Statement

The Central Bank of Ireland AIF Rulebook section on 'Dealings by management company, depositary, AIFMD, Investment Manager or by delegates or group companies' states that any transaction carried out with the Fund by a management company, depositary, AIFM, Investment Manager or by delegates or group companies of these ("connected parties") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the Unitholders.

The Board of Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out above are applied to all transactions with connected parties; and the Board of Directors is satisfied that transactions with connected parties entered into during the period complied with the obligations set out in this paragraph. The Manager complied with the code to the extent that the Board considered practical and suitable for its operations.

Depository report to the Unitholders of BCP Investment Fund (the 'Trust')



Independent auditor's report to the members of BCP Property Value Add Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BCP Property Value Add Fund ('the Fund'), which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units, Statement of Cash Flows and the related notes to the financial statements, including the summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is the Unit Trusts Act 1990 and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Fund as at December 31, 2022, and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Unit Trusts Act 1990.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Upcoming expiry of loan facilities

We draw attention to notes 12 and 20 of the financial statements, which explains that the Fund's loans from the Governor and Company of the Bank of Ireland which terminated on 28 February 2023 have now been extended to 31 July 2023. Discussions are ongoing between the Manager, the Investment Manager, on behalf of the Fund, and the Governor and Company of the Bank of Ireland to agree new terms for these two credit facilities.

Our opinion is not modified in this respect.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager, with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of BCP Property Value Add Fund
(continued)

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Fund and its environment obtained in the course of the audit, we have not identified any material misstatements in the Manager's report.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the Fund were sufficient to permit the financial statements to be readily and properly audited and financial statements are in agreement with the accounting records.

We have nothing to report in this regard.

Respective responsibilities

Responsibilities of the Manager for the financial statements

As explained more fully in the Manager's responsibilities statement out on page 6, the Manager is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.



Independent auditor's report to the members of BCP Property Value Add Fund
(continued)

Respective responsibilities (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our audit work has been undertaken so that we might state to the Fund's Unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's Unitholders, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "Michael Tuohy".


Michael Tuohy
for and on behalf of Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2


Date: 29/06/2023

BCP PROPERTY VALUE ADD FUND**Statement of Financial Position****As at 31 December 2022**

	Notes	2022 €	2021 €
Assets			
Cash and cash equivalents	6	33,453	1,123,081
Loan receivable	11	8,886,900	8,886,900
Interest receivable	11	4,601,129	3,537,623
Financial assets at fair value through profit or loss	4	12,527,779	14,665,637
Investment property	5	21,625,000	23,950,000
Other receivables and prepayments	8	825,197	2,022,574
Total assets		48,499,458	54,185,815
Liabilities			
Loans payable	12	13,183,364	13,508,364
Management fees payable	3	156,455	172,508
Interest payable	12	38,848	35,184
Redemption tax payable		11,184	-
Audit fees payable	3	9,500	7,000
Depositary fees payable	3	7,500	22,500
Administration fees payable	3	4,043	4,043
Other accounts payable and accrued expenses		334,253	588,748
Subscriptions received in advance		-	24,649
Total liabilities (excluding net assets attributable to Holders of Redeemable Participating Units)		13,745,147	14,362,996
Net assets attributable to Holders of Redeemable Participating Units		34,754,311	39,822,819
Net asset value per class of unit 31 December 2022			
<u>Classes</u>	<u>Number of Units</u>	<u>NAV per unit</u>	Note
Class A	83,845.67	121.58	9
Class B	33,051.78	125.40	9
Class C	104,741.45	127.82	9
Class D	49,215.88	140.65	9
Class P	1,299.30	81.18	9
Total net asset value as at 31 December 2022		34,754,311	
Net asset value per class of unit 31 December 2021			
<u>Classes</u>	<u>Number of Units</u>	<u>NAV per unit</u>	Note
Class A	89,063.41	135.86	9
Class B	34,029.40	139.44	9
Class C	108,465.88	141.77	9
Class D	48,315.26	154.86	9
Class P	1,299.30	90.72	9
Total net asset value as at 31 December 2021		39,822,819	

The financial statements were approved by the Directors of the Manager on 29 June 2023 and were signed on its behalf by:

DocuSigned by:

 366DCC4FBC1646E...
 Director


DocuSigned by:

 EF27BA3D744E4AF...
 Director

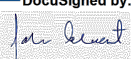
The accompanying notes on pages 15 to 36 form an integral part of these financial statements.

BCP PROPERTY VALUE ADD FUND**Statement of Comprehensive Income****For the year ended 31 December 2022**

	Notes	2022 €	2021 €
Income			
Rental income	2(i)	1,336,364	1,025,226
Interest income	11	1,063,562	1,066,428
Rebate income	2(j)	84,825	-
Other income	7	77,862	136,996
Net foreign currency exchange gain		5	-
Net unrealised loss on financial assets at fair value through profit or loss	4	(2,137,858)	(1,156,380)
Net unrealised fair value movement of investment property	5	(2,829,775)	(859,541)
Dividend income		-	1,079,632
Investment (loss)/income		(2,405,015)	1,292,361
Operating expenses			
Management fees	3	325,713	345,595
Directors' fees	3	115,000	137,500
Administration fees	3	48,510	48,510
Depositary fees	3	30,000	30,000
Audit fees	3	10,407	7,907
Other fees and expenses	3	338,527	456,958
Operating expenses		868,157	1,026,470
Operating (loss)/profit		(3,273,172)	265,891
Finance costs			
Interest expense	12	560,733	560,493
Loss for the year		(3,833,905)	(294,602)
Decrease in net assets attributable to Holders of Redeemable Participating Units from operations		(3,833,905)	(294,602)

The financial statements were approved by the Directors of the Manager on 29 June 2023 and were signed on its behalf by:

DocuSigned by:

 366DCC4FBC1646E...
 Director

DocuSigned by:

 EF27BA3D744E4AF...
 Director

The accompanying notes on pages 15 to 36 form an integral part of these financial statements.

BCP PROPERTY VALUE ADD FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units****For the year ended 31 December 2022**

	2022	2021
	€	€
Net assets attributable to Holders of Redeemable Participating Units at the start of the year	39,822,819	39,709,221
Issue of Redeemable Participating Units	511,806	408,200
Redemption of Redeemable Participating Units	<u>(1,746,409)</u>	<u>-</u>
Net (decrease)/increase from Redeemable Participating Units	<u>(1,234,603)</u>	<u>408,200</u>
Decrease in net assets attributable to Holders of Redeemable Participating Units from operations	<u>(3,833,905)</u>	<u>(294,602)</u>
Net assets attributable to Holders of Redeemable Participating Units at the end of the year	<u>34,754,311</u>	<u>39,822,819</u>

The accompanying notes on pages 15 to 36 form an integral part of these financial statements.

BCP PROPERTY VALUE ADD FUND**Statement of Cash Flows****For the year ended 31 December 2022**

	Notes	2022 €	2021 €
Reconciliation of decrease in net assets attributable to Holders of Redeemable Participating Units from operations to net cash provided by operating activities			
Decrease in net assets attributable to Holders of Redeemable Participating Units from operations		(3,833,905)	(294,602)
Net unrealised loss on financial assets at fair value through profit or loss		2,137,858	1,156,380
Net unrealised fair value movement of investment property		2,829,775	859,541
Increase in audit fees payable		2,500	-
Increase in interest receivable		(1,063,506)	(1,066,428)
Decrease/(increase) in other receivables and prepayments		1,197,377	(585,200)
Increase in redemption tax payable		11,184	-
Decrease in management fees payable		(16,053)	(1,978)
Decrease in performance fees payable		-	(2,318)
(Decrease)/increase in depositary fees payable		(15,000)	7,500
Decrease in administration fees payable		-	(4,042)
Increase/(decrease) in interest payable		3,664	(9,861)
(Decrease)/increase in other accounts payable and accrued expenses		(254,495)	14,065
Net cash provided by operating activities		999,399	73,057
Cash flows from investing activity			
Purchase of investment property	5	(504,775)	(209,541)
Net cash used in investing activity		(504,775)	(209,541)
Cash flows from financing activities			
Proceeds from issuance of Redeemable Participating Units		487,157	432,849
Payments for redemption of Redeemable Participating Units		(1,746,409)	-
Proceed from loans		1,820,876	1,871,026
Repayment of loans		(2,145,876)	(2,296,026)
Net cash flows (used in)/provided by financing activities		(1,584,252)	7,849
Net decrease in cash and cash equivalents		(1,089,628)	(128,635)
Cash and cash equivalents at beginning of year		1,123,081	1,251,716
Cash and cash equivalents at end of year	6	33,453	1,123,081
Supplemental Information to the Statement of Cash Flows			
Interest paid during the year		(557,069)	(570,354)
Interest received during the year		56	-

The accompanying notes on pages 15 to 36 form an integral part of these financial statements.

BCP PROPERTY VALUE ADD FUND

Notes to the Financial Statements

For the year ended 31 December 2022

1. Trust information

BCP Investment Fund (the "Trust") is an open-ended umbrella investment Trust with variable capital incorporated in Ireland on 22 January 2015 and authorised by the Central Bank of Ireland pursuant to the provisions of the Unit Trusts Act 1990 and the Alternative Investment Fund Management Directive ("AIFMD") rule book. The Trust is constituted as an umbrella fund in so far as the share capital of the Trust will be divided into different classes of Units with each class of Units representing a separate portfolio of assets which will comprise a separate fund of the Trust. Units of any particular sub-fund may be divided into one or more classes of Units ("Classes") to accommodate differing characteristics attributable to each such different class of Shares. The Prospectus for the Trust was issued on 25 June 2015. The Trust was authorised by the Central Bank of Ireland.

As at 31 December 2022, there were two sub-funds in existence, the BCP Property Value Add Fund (the "Fund") and the BCP Real Estate Value Add Fund (collectively the "Funds"). These Financial statements relate to the BCP Property Value Add Fund.

The First Supplement ("The Supplement") was issued for the BCP Property Value Add Fund on 25 June 2015 and further updated on 26 January 2017. The Supplement contains information relating specifically to the Fund. The Fund commenced operations on 3 July 2015. The Fund has six classes of Units, Class A, Class B, Class C, Class D, Class I and Class P Units. As at 31 December 2022, five classes of units were active: Class A, Class B, Class C, Class D and Class P units, and, as at 31 December 2021, the same five share classes were active.

The investment objective of the BCP Property Value Add Fund is to achieve current income and capital appreciation. The Fund aims to provide investors with a means of participating in the Irish, UK, and international property markets, investing in properties which have the potential to generate rental yields that the Investment Manager believes are attractive. The Fund may invest in a portfolio of properties in the residential, retail, farmland, warehouse, office, industrial warehouse and leisure sectors of the Irish, UK, and international markets with a view to participating in attractive rental yields as well as future rental and capital value growth. The Fund may also invest in Property Related Assets. The Fund's investments may be concentrated in a small number of properties or property related assets. The Fund may invest up to 100% of its Net Asset Value in investments funds, however, no more than 50% of the Net Asset Value of the Fund will be invested in any one regulated or unregulated investment fund. The Fund may also enter into, directly or through intermediate vehicles, joint venture, co-investment, development, redevelopment, refurbishment or similar contractual arrangements with the intention of maximising returns.

2. Accounting policies

2.1 Basis of presentation

The Financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and issued by International Accounting Standard Board ("IASB"). The financial statements have been prepared on the basis of the historical cost convention as modified by the measurement of investment properties and financial assets at fair value.

The Directors of the Manager believe that the Fund has adequate resources to continue in operational existence for the foreseeable future and that it is appropriate to prepare the financial statements on a going concern basis.

2.2 Critical accounting estimate and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and judgements that have had the most significant effect on the amounts recognised in the Fund's financial statements include the fair value estimation on both investment properties and financial assets at fair value through profit or loss.

BCP PROPERTY VALUE ADD FUND

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

2.3 Summary of significant accounting policies

a. Financial assets at fair value through profit or loss

(i) Classification

In accordance with IFRS 9 Financial Instruments (“IFRS 9”), the Fund has classified its financial assets and financial liabilities into following category.

Financial Assets

Under IFRS 9, there are three principal classification categories for financial assets: amortised cost, fair value through other comprehensive income (‘FVOCI’) and fair value through profit or loss (‘FVTPL’). The classification is based on two criteria: the Fund’s business model for managing the assets; and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding.

The assessment of the Fund’s business model, which is required by IFRS 9, was made as of the date of initial application, 1 January 2018. The future assessment, also required by IFRS 9, of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. In performing the IFRS 9 impairment assessment to estimate lifetime expected credit losses (‘ECLs’), the Fund did identify an ECL on those financials assets at amortised cost which is further disclosed in Note 14(a).

The financial assets classified at FVTPL is the Fund’s holdings in Collective Investment Schemes. The financial assets classified at amortised cost comprises of cash and cash equivalents, loan receivable, interest receivable and other receivables and prepayments.

Financial Liabilities

Financial Liabilities are measured at either FVTPL or amortised cost. There has been no changes in classification and measurement for the Fund’s financial liabilities; all of which are classified at amortised cost.

(ii) Impairment of financial assets

IFRS 9 requires the Fund to recognise an allowance for ECLs for assets held at amortised cost where the Fund deems that an ECL is probable.

It is the Fund’s policy to make provisions for impairment of financial assets to reflect the losses inherent in those assets at the end of the reporting period. The Fund assesses at the end of each reporting period the impairment of financial assets measured at amortised cost on an expected credit loss (‘ECL’) basis. The measurement of ECL is based on a three-stage approach:

- Stage 1 – where financial assets have not had a significant increase in credit risk since initial recognition, allowance is calculated considering 12 months of credit losses. This is inclusive of the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
- Stage 2 – where financial assets have had a significant increase in credit risk since initial recognition but does not have objective evidence of impairment, allowance is calculated considering the lifetime ECL.
- Stage 3 – financial assets that are significantly deteriorated and impaired. The ECL represents lifetime expected losses. Financial assets held at amortised cost are deemed to be impaired when they have defaulted.

The Fund monitors financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition on a regular basis.

The measurement of the loss allowance is based on the present value of the applicable financial assets expected cash flows using the financial asset’s effective interest rate.

BCP PROPERTY VALUE ADD FUND

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

a. Financial assets at fair value through profit or loss (continued)

(iii) Recognition, derecognition and measurement

Regular purchase and sales of investments are recognised on the trade date, the date on which the Fund to commits purchase or sell the investment. Financial assets and financial liabilities at FVTPL are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Collective investment schemes are valued at fair value as determined by the administrator of the collective investment schemes. In determining fair value, the Administrator utilises the valuations of the underlying collective investment schemes to determine the fair value of its interest. The underlying collective investment schemes value securities and their property investments on a fair value basis of accounting. Investments in collective investment schemes are valued based on the independently audited net asset values of the collective investment schemes. For those collective investment schemes for which independently audited financial statements are not available, the board of directors bases its valuation on the collective investment schemes net asset values as calculated by the administrator of such collective investment schemes. It is possible that the underlying investment schemes results may subsequently be adjusted when such results are subjected to an audit, and the adjustments may be material.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of the ‘financial assets or financial liabilities at fair value through profit or loss’ category are presented in the Statement of Comprehensive Income within ‘net unrealised loss on financial assets at fair value through profit or loss’ in the period in which they arise.

b. Loans receivable

Loans receivable are classified and measured at amortised cost. Loans receivable pertains to a loan to Kells Investment I ICAV amounting to € 8,886,900 (2021: € 8,886,900). The Fund initially recognises a loan receivable when the Fund becomes a party to the contractual provisions of a loan receivable. The Fund subsequently measures a loan receivable at amortised cost and any interest income on a loan is recognised in the Statement of Comprehensive Income. The Fund assesses at the end of each reporting period the loans receivable for impairment.

c. Investment Properties

Investment properties are held either to earn rental income, or for capital appreciation (including future re-development) or for both, but not for sale in the ordinary course of business. The Fund does not have any properties held for resale or trading purposes. Investment property is initially measured at cost including related acquisition costs and subsequently valued by professional external valuers at their respective fair values at each reporting date. The difference between the fair value of an investment property at the reporting date and its carrying value prior to the external valuation is recognised in the Statement of Comprehensive Income as a fair value gain or loss within “net unrealised fair value movement of investment properties”. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Comprehensive Income.

BCP PROPERTY VALUE ADD FUND

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

c. Investment Properties (continued)

Properties leased out to tenants under operating leases are included in investment properties in the Statement of Financial Position. Investment properties are treated as acquired at the point where the Fund assumes the significant risks and returns of ownership which normally occurs when the conveyancing contract has been performed by both buyer and seller and the contract has been deemed to have become unconditional and completed. Investment properties are deemed to have been sold when the buyer has assumed the risks and rewards of ownership and the contract has been completed. Additions to investment properties consist of construction costs and other directly attributable costs such as professional fees and expenses and in the case of investment properties under development capitalised interest where applicable. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Where the Fund begins to redevelop an existing investment property the property continues to be held as an investment property.

External independent valuers, having appropriate recognised and relevant professional qualifications and recent experience in the location and category of property being valued, value the Fund's property portfolio at each reporting date, in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (RICS).

d. Foreign currency translations

The presentation and functional currency of the Trust and the Funds is EUR ("€"). The Manager has determined that this reflects the Trust's primary economic environment. Transactions in foreign currencies are translated to € at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to € at the foreign currency closing exchange rate ruling at the Statement of Financial Position date.

Foreign currency exchange differences arising on translation and realised gains and losses on disposal or settlement of monetary assets and liabilities are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to at the foreign currency exchange rates ruling at the dates that the values were determined.

e. Net unrealised loss on financial assets at fair value through profit or loss

Unrealised losses comprise changes in the fair value of financial instruments for the year.

f. Net unrealised fair value movement of investment properties

Unrealised gains and losses comprise changes in the fair value of the investment properties for the year.

g. Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid fund investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. The Fund's cash is held at Société Générale S.A.

h. Income and expenses

All income and expenses are accounted for on an accrual basis and recognised in the Statement of Comprehensive Income.

i. Rental income

Rental income is accounted for on an accrual basis, straight line under term of lease.

j. Rebate income

Rebate income is accounted for on an accrual basis after payment of each invoice.

BCP PROPERTY VALUE ADD FUND

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

k. Dividend income

Dividend income is credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as “ex-dividend”. Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed as dividend income in the Statement of Comprehensive Income, and net of any tax credits.

l. Other receivables and other payables

These amounts are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment. Due to their short term nature, the carrying value of other receivables and other payables is a reasonable approximation of fair value.

m. Taxation

As the Fund qualifies under Section 739B of the Taxes Consolidation Act, 1997 as an investment undertaking, the Fund is not liable to income tax, capital gains tax or corporation tax on its income or gains, other than on the occurrence of a chargeable event.

A chargeable event includes any distribution to shareholders or any redemption or transfer of shares, or the ending of a Relevant Period. A Relevant Period is an eight year period beginning with the acquisition of units by the unitholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A chargeable event does not include:

- Any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- An exchange of shares representing one Fund for another Fund of the Trust; or
- Any exchange of shares arising on a qualifying amalgamation or reconstruction of the Trust with another Fund or Trust.

A chargeable event will not occur in respect of shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the Fund with a relevant declaration to that effect.

In the absence of an appropriate declaration, the Fund will be liable to Irish tax on the occurrence of a chargeable event. There were no chargeable events during the year under review.

Capital gains, dividends and interest may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Fund or its shareholders.

n. Changes in accounting policy and disclosures

New standards, amendments and interpretations adopted for these financial statements effective 1 January 2022

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are effective for the year beginning 1 January 2022 and which have been adopted in these financial statements.

Reference to the Conceptual Framework – Amendments to IFRS 3 Business Combinations

Minor amendments were made to IFRS 3, Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****2. Accounting policies (continued)****2.3 Summary of significant accounting policies (continued)****n. Changes in accounting policy and disclosures (continued)*****New standards, amendments and interpretations adopted for these financial statements effective 1 January 2022 (continued)******Annual Improvements to IFRS Standards 2018-2020***

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent’s books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The amendments and improvements noted above are effective from 1 January 2022 and the Fund has adopted these, where relevant, as of 1 January 2022 and it has not resulted in any change to the presentation of these financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the financial year beginning on 1 January 2022 that have had a material impact to the Fund's financial statements.

New or revised accounting standards and interpretations that have been issued but not yet effective for the year ended 31 December 2022

The following new standards, amendments to standards and interpretations have been issued to date and are not yet effective for the year ended 31 December 2022 and have not been applied nor early adopted, where applicable in preparing these financial statements:

Description	Effective for accounting period beginning on or after
Amendments to IAS 1 – Presentation of Financial Statements and Practice Statement 2: Disclosure of accounting policies	1 January 2023
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimate	1 January 2023

None of the above are expected to have a material impact on these financial statements.

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****3. Fees and expenses****a. Management fees**

The Manager is entitled to receive out of the assets of the Fund an annual management fee, accrued at each quarter and payable quarterly in arrears in respect of the Classes (the "Management Fee") as follows:

Unit Class Description	Management Fee*
A Class Units	1.5% of NAV per annum
B Class Units	1.0% of NAV per annum
C Class Units	0.75% of NAV per annum
D Class Units	Nil
I Class Units	1.25% of NAV per annum
P Class Units	1.75% of NAV per annum

* maximum charge

During the year ended 31 December 2022, the Fund incurred management fees of €325,713 (2021: €345,595) of which €156,455 (2021: €172,508) was outstanding at year end.

b. Performance fees

The Investment Manager is entitled to a performance fee payable out of the relevant class Units of the Fund.

The performance fee equals 20% of the increase in the Net Asset Value of the A Class Units, the B Class Units and the C Class Units and I Class Units over the benchmark return during a Performance Period, disregarding any un-crystallised Performance Fee. The Performance Period shall be calculated at the end of each calendar month. The "High Water Mark" ensures that, if the Class falls in value, a performance fee will only be payable on that part of any subsequent performance of the Class that is in excess of the current High Water Mark value.

The High Water Mark is initially the value invested in the Class, and is adjusted at each Valuation Point to take account of subscriptions, redemptions and distributions impacting the valuation at that date. The High Water Mark is increased by a value of subscriptions, reduced by the value of distributions, and prorated down by the proportion of Units of the Class redeeming.

The High Water Mark means the highest peak in outperformance at the end of each Performance Period. If the outperformance per Share drops from the High Water Mark, the Investment Manager must return the Outperformance to the High Water Mark and exceed it before receiving a Performance Fee.

During the year ended 31 December 2022, the Fund incurred performance fees of €Nil (2021: €Nil) of which €Nil (2021: €Nil) was outstanding at year end.

c. Administrator's fees

The Administrator shall be entitled to receive out of the assets of the Fund a fixed fee, subject to a minimum annual administration fee of €44,100 (plus VAT, if any, thereon), or a fee, payable monthly in arrears, based on the Net Asset Value of the Fund, of up to a maximum of 0.08% per annum. The Administrator is also entitled to be reimbursed by the Fund for all of its out-of-pocket expenses reasonably incurred on behalf of the Fund which shall include legal fees and ad hoc expenses together with VAT, if any, thereon.

During the year ended 31 December 2022, the Fund incurred administration fees of €48,510 (2021: €48,510) of which €4,043 (2021: €4,043) was outstanding at year end.

d. Depositary fees

The Depositary shall be entitled to a fee at an annual rate based on the average Net Asset Value of the Fund at the Valuation Point of 0.03%, subject to a minimum fee of €30,000 per annum accrued at each month and payable monthly in arrears in respect of the class of Units. The Depositary shall be entitled to an additional fixed fee of €3,000 for any subsidiary established.

During the year ended 31 December 2022, the Fund incurred depositary fees of €30,000 (2021: €30,000) of which €7,500 (2021: €22,500) was outstanding at year end.

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****3. Fees and expenses (continued)****e. Director's fees**

The Trust Deed authorises the Directors of the Manager to charge a fee for their services at a rate determined by the Trust up to €30,000 per Director, per annum (or such other sums as the Directors of Manager may determine and disclose to unitholders). Although some of the Directors may not receive a fee in remuneration for their services to the Manager, all of the Directors will be paid for all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of the Manager or the Trust. The Trust transfers an amount to the Manager for Directors' fees who in turn pay the Directors on behalf of the Trust for their services to the Trust.

During the year ended 31 December 2022, the Fund paid Director's fees of €115,000 (2021: €137,500) of which €57,500 (2021: €57,500) were prepaid at year end, as disclosed in Note 8.

f. Auditor's remuneration

The audit fees for the Fund incurred during the year ended 31 December 2022 was €9,500 (2021: €7,000), of which €9,500 (2021: €7,000) was outstanding at year end. During the year ended 31 December 2022, the auditors incurred taxation services fees for the Fund amounting to €2,528 (2021: €1,077). These amounts also include other audit related fees which are disclosed in other expenses in statement of comprehensive income.

g. Other fees and expenses

	2022	2021
	€	€
Account maintenance fees expense	9,000	4,500
AIFMD fee expense	3,000	3,000
Arrangement fee expense	-	6,250
Bank charges	204	194
Financial statement preparation expenses	7,500	5,000
Legal and professional – restructuring expenses	21,736	21,736
Loan service fee expenses	2,404	2,596
Insurance expense	19,930	24,090
Legal fees	24,474	51,512
Licence fees	4,956	1,610
Other professional services expense	99,249	87,920
Properties – maintenance/utility expenses	5,026	1,769
Property management expenses	56,064	46,320
Transaction charges	3,220	1,180
Valuation fees expense	12,425	12,363
VOID cost	53,669	18,058
Refurbishment works	14,700	168,860
Marketing and coordination fee	970	-
	338,527	456,958

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****4. Financial assets at fair value through profit or loss**

	2022	2021
	€	€
Collective investment schemes	12,527,779	14,665,637
	<u>12,527,779</u>	<u>14,665,637</u>
Analysis of investment movements:	2022	2021
	€	€
At beginning of year	14,665,637	15,822,017
Change in fair value	<u>(2,137,858)</u>	<u>(1,156,380)</u>
At end of year	<u>12,527,779</u>	<u>14,665,637</u>

As at 31 December 2022, the Fund's investment in collective investment schemes amounting to €12,527,779 (2021: €14,665,637) was all held in Kells ICAV namely Kells Investment Fund 1 and Kells Investment Fund 2 and in BCP Real Estate Value Add Fund. The investment objective of Kells Investment Fund 1, Kells Investment Fund 2 and BCP Real Estate Value Add Fund is to achieve current income and capital appreciation from property investment.

5. Investment property

	2022	2021
	€	€
Investment property	21,625,000	23,950,000
	<u>21,625,000</u>	<u>23,950,000</u>
Analysis of investment movements:	2022	2021
	€	€
At beginning of year	23,950,000	24,600,000
Purchases at cost	504,775	209,541
Change in fair value	<u>(2,829,775)</u>	<u>(859,541)</u>
At end of year	<u>21,625,000</u>	<u>23,950,000</u>

The fair value of the Fund's investment property at 31 December 2022 has been arrived at on the basis of the Market Value of the freehold equivalent long-leasehold interest in the property subject to and with the benefit of the tenancies therein as at the Valuation Date.

CBRE Unlimited Company, Connaught House, 1 Burlington Road, Dublin 4 carried out the valuation of Block R East Point Business Park, Dublin 3.

BNP Paribas Real Estate, 20 Merrion Road, Ballsbridge, Dublin 4, D04 C9E2 carried out the valuation of St. Andrew House, 28/30 Exchequer Street, Dublin D02 R721.

6. Cash and cash equivalents

Cash at bank deposited at the depositary as at 31 December 2022 amounted to €33,453 (2021: €1,123,080) on behalf of the Fund. The Fund does not hold any other cash or cash equivalents.

	2022	2021
	€	€
Société Générale S.A.	33,453	1,123,081
	<u>33,453</u>	<u>1,123,081</u>

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****7. Other income**

	2022	2021
	€	€
Insurance income	32,808	-
Redemption fee income	34,928	-
Other income	5,626	130,470
Dilapidations income	4,500	-
Fee income	-	6,526
	77,862	136,996

8. Other receivables and prepayments

	Note	2022	2021
		€	€
Prepaid directors fees	3	57,500	57,500
Prepaid insurance		10,540	12,434
VAT receivable		13,110	2,300
Rent receivable		94,465	118,289
Receivable from BCP Fund Management		627,286	1,832,051
Receivable – other		22,296	-
		825,197	2,022,574

9. Redeemable participating units

Redeemable Class of Units are issued to investors as Units of a Class in the Fund. The Manager may, whether on the establishment of this Fund or from time to time, with prior notification to, and clearance by the Central Bank of Ireland, create more than seven Classes of Units in this Fund. The Manager may in their absolute discretion differentiate between Classes of Units, without limitation, as to currency denomination of a particular Class, dividend policy, hedging strategies, if any applied to the designated currency of a particular Unit, fees and expenses or the Minimum Subscription or Minimum Holding applicable. The Manager may in their absolute discretion waive the Minimum Subscription or Minimum Holding requirement.

As at 31 December 2022 and 2021, six Classes of Units in the Fund are available for subscription and details of which are set out below:

Class of Units	Currency	Initial offer price	Minimum Initial Subscription	Minimum Holding	Subsequent Subscription
A Class Units	€	€100	€100,000	€20,000	€20,000
B Class Units	€	€100	€100,000	€20,000	€20,000
C Class Units	€	€100	€100,000	€20,000	€20,000
D Class Units	€	€100	€100,000	€20,000	€20,000
I Class Units	€	€100	€1,000,000*	€20,000	€20,000
P Class Units	€	€100	€1,000,00	€20,000	€20,000

* €1,000,000 (or in the case of I Class Units such other amount as the Manager, may determine from time to time either generally or in specific cases, provided that any such minimum initial subscription shall not be less than €100,000).

The minimum holding period for each Unit in the Fund is two (2) years or such shorter period as the Manager may from time to time permit. In respect of applications accepted during the initial offer Period, the minimum holding period will commence on the date that the initial offer period closes. Following the initial offer period, the minimum holding period will commence on the date a Unitholder's subscription is accepted to the Fund.

A redemption fee of 1 % of the redemption amount will be payable to the Investment Manager in respect of all redemptions of Units other than the P Class Units.

BCP PROPERTY VALUE ADD FUND

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

9. Redeemable participating units (continued)

If redemption applications on any Redemption Day exceed €3,000,000 or 10% of the NAV of the Fund, whichever is less (the "Gate Amount"), the Manager shall redeem rateably the portion of the Units for which redemption has been requested up to the Gate Amount and, in the sole discretion of the Manager, either redeem rateably all or any portion of the Units for which redemption has been requested in excess of the Gate Amount or defer the redemption applications in excess of the Gate amount to subsequent redemption days.

Requests for redemptions received prior to the Cut-Off Deadline for any Redemption Cut-Off Time will be processed on that Redemption Cut-Off Time. Any requests for redemption received after the Redemption Cut-Off Time will be processed on the next succeeding Redemption Day unless the Manager in their absolute discretion determine otherwise provided that such redemption request(s) have been received prior to the Valuation Point for the particular Redemption Cut-Off Time. Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Fund (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

The proceeds of redemption will normally be paid by wire transfer to the account and at the expense of the Unitholder in the Class Currency in which the Unitholder is invested, within 10 Business Days following the Redemption Day.

A Unitholder may not, without the prior consent of the Manager, withdraw his request for redemption except in the event of a temporary suspension of the valuation of the assets of the Fund in which event a withdrawal will be effective only if written notification is received by the Manager before the termination of the period of suspension.

The Trust Deed permits the Manager to redeem a Unitholder's Units where during a period of six years no acknowledgement has been received in respect of any Unit certificate, contract note or other confirmation of ownership of the Units sent to the Unitholder.

Investors may be subject to an upfront sales charge in respect of their proposed subscription, payable to the Manager as set out in the table below.

Any applicable sales charge will be deducted from the subscriber's subscription payment for the purposes of determining the net amount available for subscription in Units.

Class of Units	Maximum sales charge
A Class Units	3.5% of subscription amount
B Class Units	3.5% of subscription amount
C Class Units	3.5% of subscription amount
D Class Units	Nil
I Class Units	3.5% of subscription amount
P Class Units	2.5% of subscription amount

Notwithstanding the foregoing, the Manager may, in its sole discretion, during any period, elect to waive a portion or all of the sales charge for one or more investors without notice to Unitholders. In addition, the Fund may issue Units of a separate Class that may calculate this charge differently or charge a lower fee.

Premium Subscriptions

Where Units ("Premium Units") are purchased at a time when the Net Asset Value per Unit is greater than the high water mark (a "Premium Subscription"), the prospective investor is required to pay an additional amount equal to the accrual then in place per Unit in respect of the Performance Fee (an "Equalisation Credit"). The Equalisation Credit is designed to ensure that all Unitholders have the same amount of capital at risk per Unit. The Equalisation Credit is at risk in the Fund and therefore appreciates or depreciates based on the performance of the Fund subsequent to the subscription.

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****9. Redeemable participating units (continued)***Premium Subscriptions (continued)*

In the event of a decline in the Net Asset Value per Unit, the Equalisation Credit due to the Unitholder reduces in line with the Performance Fee accrual for other Units until the Equalisation Credit is exhausted. Any subsequent appreciation in the value of the Premium Units will result in a recapture of any Equalisation Credit lost due to the reductions described above.

At the end of the Performance Period, if the Net Asset Value per Unit (before accrual for the Performance Fee) exceeds the high water mark then in place, an amount equal to the Equalisation Credit paid at the time of the Premium Subscription (less any Equalisation Credit previously applied) will be used to subscribe for additional Units for the Unitholder. Such Unitholder will continue to be allotted additional Units at the end of each Performance Period until the Equalisation Credit (as it may have appreciated or depreciated in the Fund after the original subscription for Units was made) has been fully applied.

If the Unitholder redeems its Premium Units before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Unitholder will receive additional redemption proceeds. This additional redemption amount will be equal to the Equalisation Credit (as adjusted) then remaining save where a partial redemption of Premium Units is requested, in which case the Unitholder will receive a proportion of the Equalisation Credit then remaining. Such proportion is calculated by multiplying the Equalisation Credit by a fraction, the numerator of which is the number of Premium Units being redeemed and the denominator of which is the number of Premium Units held by the Unitholder immediately prior to the redemption.

The following table details the subscription and redemption activity during the year ended 31 December 2022:

	2022				
	Class A	Class B	Class C	Class D	Class P
Redeemable Participating Class of Units in issue at start of year	89,063.41	34,029.40	108,465.88	48,315.26	1,299.30
Issuance of Redeemable Participating Class of Units	767.15	-	1,892.06	900.62	-
Redemption of Redeemable Participating Class of Units	(5,984.89)	(977.62)	(5,616.49)	-	-
Redeemable Participating Class of Units in issue at end of year	83,845.67	33,051.78	104,741.45	49,215.88	1,299.30

The following table details the subscription and redemption activity during the year ended 31 December 2021:

	2021				
	Class A	Class B	Class C	Class D	Class P
Redeemable Participating Class of Units in issue at start of year	88,197.11	34,029.40	108,056.05	46,826.29	1,299.30
Issuance of Redeemable Participating Class of Units	866.30	-	409.83	1,488.97	-
Redemption of Redeemable Participating Class of Units	-	-	-	-	-
Redeemable Participating Class of Units in issue at end of year	89,063.41	34,029.40	108,465.88	48,315.26	1,299.30

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****10. Related parties**

The Investment Manager, Manager and Directors are considered related parties of the Fund due to direct or indirect common control.

BCP Fund Management Designated Activity Company (the “Manager”) and BCP Asset Management Designated Activity Company (the “Investment Manager”) of the Fund, are also the Manager and Investment Manager of Kells ICAV.

The Fund holds 10,970,955 (2021: 10,970,955) Shares of Class A of Kells Investment Fund 1. Also, the Fund holds 2,798,654 (2021: 2,798,654) Shares of Class A of Kells Investment Fund 2 and 79,510 (2021: 79,510) Shares of Class A of BCP Real Estate Value Add Fund. The Fund also provided a loans to Kells ICAV on behalf of Kells Investment Fund I Sub-Fund, totalled amounting to nominal capital of €8,886,900 (2021: €8,886,900) with an interest rate of 12% per annum.

All transactions between the related parties are conducted at arm’s length and are summarised in Note 3 to these financial statements.

Key Management Personnel:

The Directors of the Manager John Calvert, Nick Cullen and John O’Hanlon either directly or indirectly hold 1,008 (2021: 1,008) redeemable participating units of Class D, 24,000 (2021: 24,000) redeemable participating units of Class D and 630 (2021: 436) redeemable participating units of Class D Units in the Fund respectively.

11. Loans receivable

The table below shows the details of nominal and interest receivable on the above loan as at 31 December 2022 and 31 December 2021:

Loan Agreement dated	Termination date	As at 31 December 2022		As at 31 December 2021	
		Nominal €	Interest €	Nominal €	Interest €
31 January 2018	31 December 2030	420,000	248,548	420,000	198,286
2 August 2018	31 December 2023	3,321,000	1,705,120	3,321,000	1,307,692
26 October 2017	31 December 2030	4,920,900	2,507,579	4,920,900	1,918,689
26 October 2017	31 December 2030	225,000	139,882	225,000	112,956
Total		8,886,900	4,601,129	8,886,900	3,537,623

As per the loan obligation between MARK (formerly Meyer Bergman) (the “Assignor”) and Kells ICAV (the “Borrower”) on behalf of Kells Investment Fund I Sub-Fund, the Assignor agreed to assign to BCP Fund Management DAC acting on behalf of the Fund (the “Assignee”) the deed of assignment with an interest rate of 12% per annum, having repayments as per the above Loan Agreement dates. Interest in respect of the loans shall be paid in arrears on each interest payment date. Interest amount shall accrue from day to day and shall be calculated on the basis of a 365 day year and for the actual numbers of days elapsed. The Borrower, with the consent of the Assignee, may repay the loan at any time prior to the termination date in whole or in part.

During the year ended 31 December 2022, the Fund earned interest income of €1,063,562 (2021: €1,066,428).

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****12. Loans payable**

The table below shows the details of nominal and interest payable on the above loan as at 31 December 2022 and 31 December 2021:

Loan agreement date	Termination date	As at 31 December 2022		As at 31 December 2021	
		Nominal €	Interest €	Nominal €	Interest €
(a) 19 December 2020	19 June 2023	2,673,864	7,857	2,673,864	8,461
(b) 1 December 2020	1 June 2023	250,000	623	250,000	671
(c) 26 October 2018	28 February 2023	6,167,000	18,408	6,342,000	16,005
(d) 29 August 2017	28 February 2023	4,092,500	11,960	4,242,500	10,047
Total		<u>13,183,364</u>	<u>38,848</u>	<u>13,508,364</u>	<u>35,184</u>

(a) Loan from the BCP Property Finance Scheme dated 18 December 2020, amounting to nominal capital of €2,673,864 with an interest rate of 8.25% per annum accruing daily and payable annually in arrears for the purpose of liquidity requirements of the BCP Property Value Add Fund (“Borrower”). Interest shall accrue from day to day and shall be calculated on the basis of a year of 365 days and in each case shall be calculated on the basis of the actual number of days elapsed. The Borrower must repay the loan and all other amounts by 19 June 2023.

(b) Loan from Mr. Trevor Cullen dated 1 December 2020, amounting to nominal capital of €250,000 with an interest rate of 7.00% per annum accruing daily and payable half-yearly in arrears for the purpose of liquidity requirements of the BCP Property Value Add Fund (“Borrower”). Interest shall accrue from day to day and shall be calculated on the basis of a year of 365 days and in each case shall be calculated on the basis of the actual number of days elapsed. The Borrower must repay the loan and all other amounts by 1 June 2023.

(c) Loan from the Governor and Company of the Bank of Ireland dated 26 October 2017, amounted to nominal capital of €6,942,000. The fixed rate of interest for each interest period is the percentage rate per annum which is the aggregate of:

- the margin;
- the EURIBOR relative to the interest period; and
- the Reserve Asset Cost Rate (if any),

from time to time applicable during that fixed period, and also the floating rate of interest for each interest period is the percentage rate per annum which is the aggregate of:

- the margin;
- the EURIBOR relative to that interest period; and
- the Reserve Asset Cost Rate (if any),

relative to that interest period for the purpose of acquisition of a Property has the following repayment plan:

Date	Minimum Amount €
On the first anniversary of the first Utilisation Date	€100,000
On the second anniversary of the first Utilisation Date	€150,000
On the third anniversary of the first Utilisation Date	€150,000
On the fourth anniversary of the first Utilisation Date	€175,000
On the fifth anniversary of the first Utilisation Date	€175,000

The final repayment date is the fifth anniversary of the first drawdown date or such other date as may be agreed in writing at any time by the Bank and the BCP International Property Fund. Discussions are ongoing between the Manager, the Investment Manager, on behalf of the Fund, and the Governor and Company of the Bank of Ireland to agree new terms for this credit facility. Pending the outcome of these discussions, the facility has been extended to 31 July 2023.

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****12. Loans payable (continued)**

(d) Loan from the Governor and Company of the Bank of Ireland dated 29 August 2017 as amending the original loan agreement dated 11 August 2015, amounting to nominal capital of €4,630,000 with an interest rate of 3% per annum for the purpose of acquisition of the Property having following repayment plans:

Date	Amount €
On the first anniversary of the first Utilisation Date	€100,000
On the second anniversary of the first Utilisation Date	€100,000
On the third anniversary of the first Utilisation Date	€150,000
On the fourth anniversary of the first Utilisation Date	€200,000
On the fifth anniversary of the first Utilisation Date	€250,000

Discussions are ongoing between the Manager, the Investment Manager, on behalf of the Fund, and the Governor and Company of the Bank of Ireland to agree new terms for this credit facility. Pending the outcome of these discussions, the facility has been extended to 31 July 2023.

For the year ended 31 December 2022, the Fund incurred interest expenses €560,733 (2021: €560,493).

13. Involvement with unconsolidated structured entities

The Fund has concluded that the collective investment schemes in which it invests in, which are BCP Real Estate Value Add Fund and Kells ICAV, but that does not consolidate, meet the definition of structured entities because:

- the voting rights in the collective investment scheme are not dominant rights in deciding who controls them because they relate to administrative tasks only;
- the collective investment scheme has narrow and well-defined objectives to provide investment opportunities to investors.

The table below describes the types of structured entities that the Fund does not consolidate but in which it holds an interest.

Type of structured entity	Nature and purpose	Interest held by the Fund
Collective Investment Scheme	To manage assets on behalf of third party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors.	Investments in the units issued by the funds.

The table below sets out interest held by the Fund in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held.

31 December 2022	Total Net Assets	Carrying amount
Investment in unlisted Investment Funds		
Kells Investment Fund I	(17,744,332)	-
Kells Investment Fund 2	6,250,254	937,812
BCP Real Estate Value Add Fund Class A	11,808,618	11,589,967
Total		12,527,779

The Fund has provided loans to Kells ICAV which is disclosed in Note 11.

The investment in BCP Real Estate Value Add Fund represents the Fund's interest in an unconsolidated subsidiary. The maximum exposure to loss is the carrying amount of the financial assets held as disclosed in Note 14.

The Fund can redeem units in the above investments fund in line with the provision of the prospectus.

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****14. Financial Risk Management**

The Fund's financial instruments include loans payable, loans receivables, financials assets at fair value through profit or loss, other receivable and prepayments, trade and other payables and cash and cash equivalents that arise directly from its operations. The Fund's is exposed to various types of financial risk. The Fund oversees the management of these risks. Appropriate policies and procedures are in place to ensure that financial risks are identified, ensured and managed in accordance with the Fund's policies for risk. These risks, and the Fund's policies for managing them which have been applied consistently throughout the period, are set out below.

The primary responsibility of reviewing and monitoring of risk in the Fund rests with the Manager; however as part of its strategy the Manager has contractually delegated powers and responsibility for the day to day management and administration of the Fund to the Investment Manager.

(a) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Fund is exposed to credit risks from its financing activities, including deposits with banks and financial institutions. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on extensive review of the credit rating scorecard at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Cash and cash equivalents are held with reputable institutions. Société Générale S.A. is rated A (2021: A) and Bank of Ireland Group Plc is rated BBB- (2021: BBB-) as per Standard & Poor's credit ratings.

The Fund's maximum exposure to credit risk by class of financial asset is as follows:

	As at 31 December 2022	As at 31 December 2021
	€	€
Financial assets at fair value through profit or loss	12,527,779	14,665,637
Cash and cash equivalents	33,453	1,123,081
Loan receivable	8,886,900	8,886,900
Interest receivable	4,601,129	3,537,623
Other receivables and prepayments	825,197	2,022,574
	26,874,458	30,235,815

Amounts arising from ECL

Impairment on loans receivable have been assessed on a 12 month basis as the Fund does not believe there has been a significant deterioration in credit risk of the counterparty. Impairment on cash and cash equivalents, interest receivable and other receivables and prepayments has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Fund considers that these exposures have low credit risk based on the credit ratings of the counterparties.

The Fund monitors changes in credit risk on these exposures by tracking credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Fund supplements this by reviewing changes in other external information including, but not limited to: bonds yields and other regulatory information about counterparties.

There has been ECL recognised of €Nil for the year ended 31 December 2022 (2021: €Nil).

(b) Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund monitors the level of expected cash inflows on other receivables together with expected cash outflows on other payables and capital commitments.

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****14. Financial Risk Management (continued)****(b) Liquidity Risk (continued)**

The maturity analysis below shows the Fund's contractual financial liabilities at the end of the reporting year.

31 December 2022	Less than 1 Month €	1-3 Months €	3 Months To 1 Year €	Over 1 Year €
Interest payable	-	30,368	8,480	-
Management fee payable	156,455	-	-	-
Administration disbursements payable	368	-	-	-
Administration fees payable	3,675	-	-	-
Depository fees payable	7,500	-	-	-
Redemption tax payable	11,184	-	-	-
Audit fees payable	-	9,500	-	-
Legal fees payable	12,000	-	-	-
Loans payable	-	10,259,500	2,923,864	-
Miscellaneous payable	2,867	-	-	-
Loan Service fee payable	6,676	-	-	-
AIFMD fee payable	3,000	-	-	-
Financial statement preparation payable	625	-	-	-
Deferred rent income	236,696	-	-	-
License fee payable	4,734	-	-	-
Rent deposits payable	47,500	-	-	-
VAT payable	15,271	-	-	-
Fee payable to third party	4,884	-	-	-
Net assets attributable to Holders of Redeemable Units	-	-	-	34,754,311
Total Financial Liabilities	513,435	10,299,368	2,932,344	34,754,311

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****14. Financial Risk Management (continued)****(b) Liquidity Risk (continued)**

The maturity analysis below shows the Fund's contractual financial liabilities at the end of the reporting year.

31 December 2021	Less than 1 Month €	1-3 Months €	3 Months To 1 Year €	Over 1 Year €
Interest payable	-	-	35,184	-
Management fee payable	172,508	-	-	-
Administration disbursements payable	368	-	-	-
Administration fees payable	3,675	-	-	-
Depositary fees payable	22,500	-	-	-
Audit fees payable	-	7,000	-	-
Legal fees payable	25,501	-	-	-
Loans payable	-	-	4,242,500	9,265,864
Miscellaneous payable	2,319	-	-	-
Loan Service fee payable	96	-	-	-
Subscription received in advance	24,649	-	-	-
Financial statement preparation payable	417	-	-	-
Deferred rent income	470,977	-	-	-
License fee payable	4,241	-	-	-
Rent deposits payable	47,500	-	-	-
VAT payable	37,697	-	-	-
Net assets attributable to Holders of Redeemable Units	-	-	-	39,822,819
Total Financial Liabilities	812,448	7,000	4,277,684	49,088,683

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

(i) Price risk

The Fund's investments are susceptible to price risk arising from uncertainties about future prices of instruments. The Fund may employ various techniques and enter into hedging transactions to attempt to mitigate a portion of the risks inherent to its investment strategies. The Fund did not use derivative financial instruments for speculative purposes and had not designated any of its derivative financial instruments in a hedging relationship for accounting purposes. Fund of funds may be subject to valuation risk due to the manner and timing of the valuation of their investments. The underlying funds may also have redemption restrictions in place.

As discussed in Note 4, the Fund's investment strategy is to invest in BCP Real Estate Value Add Fund and Kells Investment Fund I and Kells Investment Fund 2, Sub-Funds of the Kells ICAV, being an AIF.

BCP PROPERTY VALUE ADD FUND

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

14. Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Price risk (continued)

Price risk sensitivity analysis

Price risk is mitigated by the Investment Manager by investing in the above mentioned Sub-Fund which in turn holds a diversified portfolio of investments. At 31 December 2022, if the price of the collective investment schemes increased by 5%, this would have increased the net assets attributable to holders of redeemable participating units by €626,389 (2021: €733,282) an equal change in the opposite direction would have decreased the net assets attributable to holders of redeemable participating units by an equal but opposite amount. Actual results will differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund believes that it does not currently have material exposure to the risk of changes in market interest rates as its long-term debt obligations are at interest rates determined in accordance with the term of the loan agreement in place.

(iii) Currency risk

All financial assets and liabilities denominated in Euros, therefore, the Fund believes that it does not currently have material exposure to foreign currency movements.

15. Accounting classification and fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A number of the Fund's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Fund uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following tables show the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****15. Accounting classification and fair value measurement (continued)**

31 December 2022	Carrying amount			Fair value				
	FVTPL	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
					€	€	€	€
Financial assets measured at fair value								
Investment in collective investment schemes	12,527,779	-	-	12,527,779	-	-	-	12,527,779
Investment in investment property	21,625,000	-	-	21,625,000	-	-	-	21,625,000
	34,152,779	-	-	34,152,779	-	-	-	34,152,779
Financial assets not measured at fair value								
Cash and cash equivalents	-	33,453	-	33,453	33,453	-	-	33,453
Loans receivable	-	8,886,900	-	8,886,900	-	8,886,900	-	8,886,900
Interest receivable	-	4,601,129	-	4,601,129	-	4,601,129	-	4,601,129
Other receivables and prepayments	-	825,197	-	825,197	-	825,197	-	825,197
	-	14,346,679	-	14,346,679	33,453	14,313,226	-	14,346,679
Financial liabilities not measured at fair value								
Management fees payable	-	-	156,455	156,455	-	-	-	156,455
Depository fees payable	-	-	7,500	7,500	-	7,500	-	7,500
Audit fees payable	-	-	9,500	9,500	-	9,500	-	9,500
Administration fees payable	-	-	4,043	4,043	-	4,043	-	4,043
Interest payable	-	-	38,848	38,848	-	38,848	-	38,848
Redemption tax payable	-	-	11,184	11,184	-	11,184	-	11,184
Loans payable	-	-	13,183,364	13,183,364	-	13,183,364	-	13,183,364
Other accounts payable and accrued expenses	-	-	334,253	334,253	-	334,253	-	334,253
	-	-	13,745,147	13,745,147	-	13,745,147	-	13,745,147

There were no transfers between levels during the year.

BCP PROPERTY VALUE ADD FUND**Notes to the Financial Statements (continued)****For the year ended 31 December 2022****15. Accounting classification and fair value measurement (continued)**

31 December 2021	Carrying amount			Fair value				
	FVTPL	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment in collective investment schemes	14,665,637	-	-	14,665,637	-	14,665,637	-	14,665,637
Investment in investment property	23,950,000	-	-	23,950,000	-	23,950,000	-	23,950,000
	38,615,637	-	-	38,615,637	-	38,615,637	-	38,615,637
Financial assets not measured at fair value								
Cash and cash equivalents	-	1,123,081	-	1,123,081	1,123,081	-	-	1,123,081
Loans receivable	-	8,886,900	-	8,886,900	-	8,886,900	-	8,886,900
Interest receivable	-	3,537,623	-	3,537,623	-	3,537,623	-	3,537,623
Other receivables and prepayments	-	2,022,574	-	2,022,574	-	2,022,574	-	2,022,574
	-	15,570,178	-	15,570,178	1,123,081	14,447,097	-	15,570,178
Financial liabilities not measured at fair value								
Management fees payable	-	-	172,508	172,508	-	172,508	-	172,508
Depository fees payable	-	-	22,500	22,500	-	22,500	-	22,500
Audit fees payable	-	-	7,000	7,000	-	7,000	-	7,000
Administration fees payable	-	-	4,043	4,043	-	4,043	-	4,043
Interest payable	-	-	35,184	35,184	-	35,184	-	35,184
Subscription received in advance	-	-	24,649	24,649	-	24,649	-	24,649
Loans payable	-	-	13,508,364	13,508,364	-	13,508,364	-	13,508,364
Other accounts payable and accrued expenses	-	-	588,748	588,748	-	588,748	-	588,748
	-	-	14,362,996	14,362,996	-	14,362,996	-	14,362,996

There were no transfers between levels during the year.

BCP PROPERTY VALUE ADD FUND

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

16. Soft Commission

There were no soft commission arrangements affecting the Fund during the year.

17. Contingent Liabilities

As at 31 December 2022 and 31 December 2021, the Fund did not have any significant commitments or contingent liabilities.

18. Capital Management

The Redeemable Participating Units issued by the Fund provide an investor with the right to require redemption to be paid either by wire transfer or by sending a cheque at a value proportionate to the investor's unit in the Fund's net assets at each cut-off redemption date and are classified as liabilities from the perspective of the Fund. See Note 9 for a description of the terms of the Redeemable Participating Units issued by the Fund. The Fund's objectives in managing the redeemable units are to ensure a stable base to maximise returns to all investors, and to manage liquidity risk arising from redemptions.

19. Significant Events

In February 2022, there was a market sell-off following Russia's invasion of Ukraine. This action has negatively impacted global financial markets through the imposition of sanctions on Russia from mainly European and North American countries. The impact of these sanctions on financial markets has not materially affected the Fund, except from for to add to a list of sanctioned entities that the Fund can no longer invest in.

No other significant events occurred during the year end.

20. Subsequent Events

Regarding the Fund's loan agreements from the Governor and Company of the Bank of Ireland dated 29 August 2017 and dated 26 October 2017 which terminated on 28 February 2023, discussions are ongoing between the Manager, the Investment Manager, on behalf of the Fund, and the Governor and Company of the Bank of Ireland to agree new terms for these two credit facilities. Pending the outcome of these discussions, the facilities have been extended to 31 July 2023.

Effective from 1 March 2023, the Fund suspended redemptions.

No other significant events occurred subsequent to the year end.

21. Approval of Financial Statements

The financial statements were approved by the Directors of the Manager on 29 June 2023.

BCP PROPERTY VALUE ADD FUND**Portfolio Statement (Unaudited)
As at 31 December 2022**

Description	€ Fair Value	% of Net Assets
By geographic location		
Financial assets at fair value through profit or loss		
Ireland		
Collective investment schemes	12,527,779	36.05%
Total collective investment schemes	12,527,779	36.05%
Property investments		
Ireland		
Investment property	21,625,000	62.22%
Total investment property	21,625,000	62.22%
	€	% of
	Fair	Net
	Value	Assets
Financial assets at fair value through profit or loss		
Collective investment schemes	12,527,779	36.05%
Investment property	21,625,000	62.22%
Cash and cash equivalents	33,453	0.10%
Other net liabilities	568,079	1.63%
Net assets attributable to Holders of Redeemable Participating Classes of Units	34,754,311	100.00%
Analysis of total assets	€	% of total
	Fair	assets
	Value	
Collective investment schemes	12,527,779	25.83%
Investment property	21,625,000	44.59%
Cash at bank	33,453	0.07%
Other assets	14,313,226	29.51%
Total assets	48,499,458	100.00%

BCP PROPERTY VALUE ADD FUND**Portfolio Statement (Unaudited) (continued)
As at 31 December 2021**

Description	€ Fair Value	% of Net Assets
By geographic location		
Financial assets at fair value through profit or loss		
Ireland		
Collective investment schemes	14,665,637	36.83%
Total collective investment schemes	14,665,637	36.83%
Property investments		
Ireland		
Investment property	23,950,000	60.14%
Total investment property	23,950,000	60.14%
	€	% of
	Fair	Net
	Value	Assets
Financial assets at fair value through profit or loss		
Collective investment schemes	14,665,637	36.83%
Investment property	23,950,000	60.14%
Cash and cash equivalents	1,123,081	2.82%
Other net liabilities	84,101	0.21%
Net assets attributable to Holders of Redeemable Participating Classes of Units	39,822,819	100.00%
Analysis of total assets		
	€	% of total
	Fair	assets
	Value	
Collective investment schemes	14,665,637	27.07%
Investment property	23,950,000	44.20%
Cash at bank	1,123,081	2.07%
Other assets	14,447,097	26.66%
Total assets	54,185,815	100.00%

BCP PROPERTY VALUE ADD FUND

Additional Information (Unaudited)

For the year ended 31 December 2022

Remuneration details for the Alternative Investment Fund Manager's staff

The information provided below relates to HAL Fund Services Ireland ("the "Company" or the "Alternative Investment Fund Manager" or the "AIFM") which has implemented a Remuneration Policy consistent with the Guidelines on Sound Remuneration Policies under UCITS of the European Securities Market Authority (the "ESMA Guidelines") and in particular the provisions of the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 ("UCITS Regulations"), as amended.

The Remuneration Policy applies to all forms of benefits paid by the AIFM's to 'Identified Staff', comprising of senior management, staff whose professional activities could have a material impact on the AIFM's risk profile, staff in control functions, or any employees in the same remuneration bracket of those whose professional activities could have a material impact on the AIFM's risk profile or of the funds it manages. The Remuneration Policy is intended to promote sound and effective risk management and does not encourage risk-taking inconsistent with the risk profile, rules or instruments of incorporation of the funds under management.

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant member of staff's rank and professional activity as well as best market practice. The AIFM may provide the opportunity to certain Identified Staff to receive variable remuneration based on the performance of the individual, of the AIFM and of the funds under management. Assessment of performance will consider both financial and non-financial factors. Particular consideration will be given to risk-related factors.

The AIFM's policy is to pay all Identified Staff a fixed component representing a sufficiently high proportion of the total remuneration of the individual to allow the AIFM to operate a fully flexible policy.

The fixed and variable elements of remuneration are in line with the principles listed above. No variable remuneration will be paid to any non-executive member of the Board of the Manager. The fixed fee of the non-executive independent Director of the Manager will be commercially negotiated.

The remuneration policy of the AIFM is approved by the Board.

Application of the Principle of Proportionality

Taking into account its size, nature, the scope of its activities and its business model, the AIFM has dis-applied the following requirements of the ESMA Guidelines:

- Variable remuneration in instruments and related retention guidelines;
- Deferral of Variable Remuneration;
- Requirement to establish a Remuneration Committee

Breakdown of Remuneration of the AIFM

The following tables provide information on total remuneration paid during the financial year ending 31 December 2022 to: all the staff of the AIFM that are fully or partly involved in the activities of the BCP Property Value Add Fund (the "Fund"), a sub-fund of the BCP Investments Unit Trust who are deemed to have a material impact on the risk profile of the Fund, referred to hereafter as identified staff.

<i>TOTAL AGGREGATE REMUNERATION OF EMPLOYEES AND SENIOR MANAGEMENT OF THE AIFM CONSIDERED AS IDENTIFIED STAFF</i>	Fixed Remuneration EUR	Variable Remuneration EUR	Total Remuneration EUR
Identified Staff*	1,175,841	102,468	1,278,309

*Identified staff Includes Non-Executive Directors (NED) fees.

BCP PROPERTY VALUE ADD FUND**Additional Information (Unaudited) (continued)****For the year ended 31 December 2022****Remuneration details for the Alternative Investment Fund Manager's staff (continued)****Proportional remuneration relating to the Fund**

The average monthly number of employees of the AIFM, excluding executive and non-executive directors, during the financial year was nine.

The proportional amount of remuneration relating to the Fund is calculated with reference to the number of authorised AIFs and UCITS under the AIFM's management. No pro-rata methodology is applied with reference to UCITS and AIFs authorised during the financial year.

<i>PROPORTIONAL AGGREGATE REMUNERATION OF IDENTIFIED STAFF OF THE AIFM RELATING TO THE FUND</i>	Fixed Remuneration EUR	Variable Remuneration EUR	Total Remuneration EUR
All identified Staff*	45,225	3,941	49,166

Delegate Investment Manager

BCP Asset Management DAC has been appointed as the Investment Manager to the Fund and is an investment firm authorised by the Central Bank pursuant to the S.I. No. 375 of 2017 European Union (Markets in Financial Instruments) Regulations 2017. The AIFM does not directly remunerate the Identified Staff of the delegate Investment Manager.